



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

SEPTEMBER 25, 2003

<u>TM GRAIN TRANSPORT COST</u> <u>INDICATORS</u>	<u>Ocean</u>				
	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Gulf</u>	<u>PNW</u>
Indicator Value* for 09/25	97	113	152	150	162
Compared to Last Week	↓	↓	↑	↓	↑
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

U.S. Containerized Grain and Oilseed Exports: Industry Survey

Containerization has evolved from an industry serving niche markets to an industry creating niche market opportunities. The Upper Great Plains Transportation Institute, North Dakota State University, and Transportation Marketing Services, United States Department of Agriculture, recently published results of their survey of containerized grain and oilseed export businesses.

The survey suggests an established and growing U.S. shipper population is active in marketing containerized grain and oilseed products. The respondents reported they marketed an average 212 containers in 2002, a 25-percent increase in average annual volume, compared with volumes they report for 2000. The businesses were located across 19 States (figure). A majority of the containerized grain and oilseed export volume, 76 percent, is originated by shippers located within 350 miles of their primary container terminal.

Shippers report that premium for containerized grain and oilseed products are approximately \$5 per hundredweight above the local bulk counterpart market. The net return to shippers is unknown as business practices and market fundamentals influence the costs associated with delivering the product to a customer overseas, versus a local grain terminal or processor.

Assuming market activity is positively correlated to profitability, the grain and oilseed container shippers would seem to be achieving acceptable levels of profit. In aggregate, shippers reported grain and oilseed container exports that increased annually between

2000 and 2002. Shippers estimate that exports will increase another 20 percent by 2005. Although many factors affect industry ability to realize this growth, shippers deem ocean freight rates as most crucial. Ocean liner routes/services, distance to container terminal, and foreign buyer information are also rated with above average importance. The more information on this research, visit

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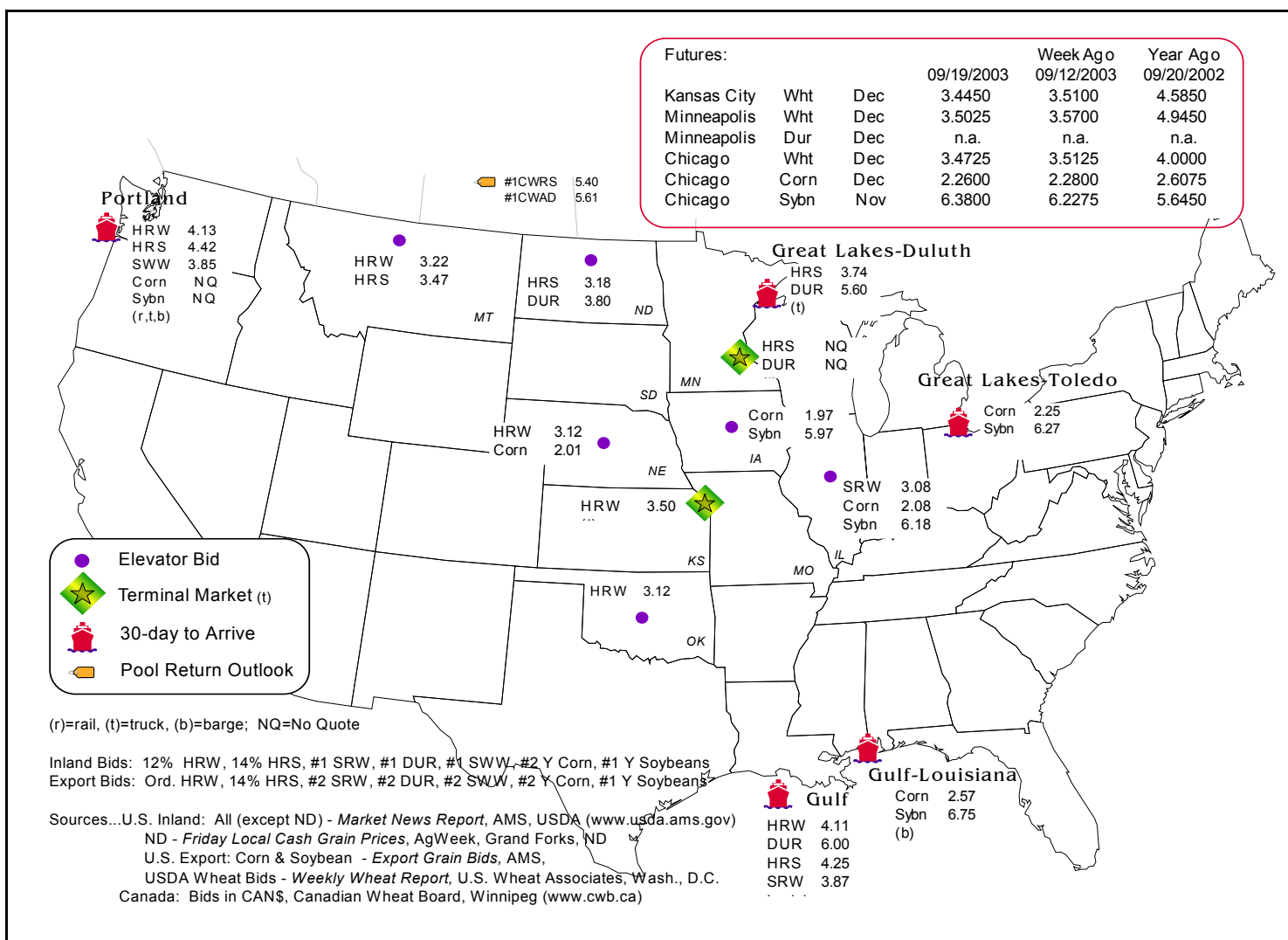
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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin-- Destination	This week	Last week
Corn	IL -- Gulf	-0.49	-0.51
Corn	NE -- Gulf	-0.56	-0.52
Soybean	IA -- Gulf	-0.78	-0.63
HRW	KS -- Gulf	-0.61	-0.68
HRS	ND -- Portland	-1.24	-1.31

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

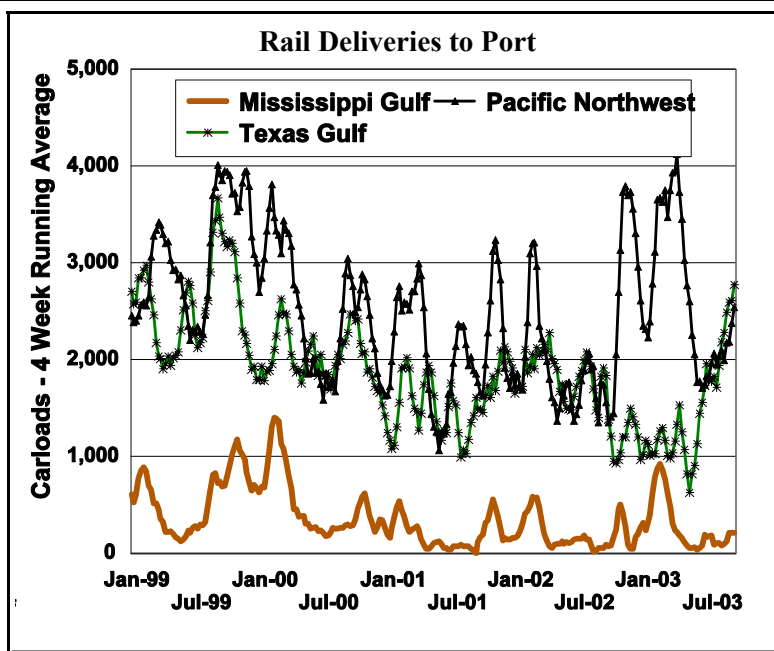


RAIL TRANSPORTATION

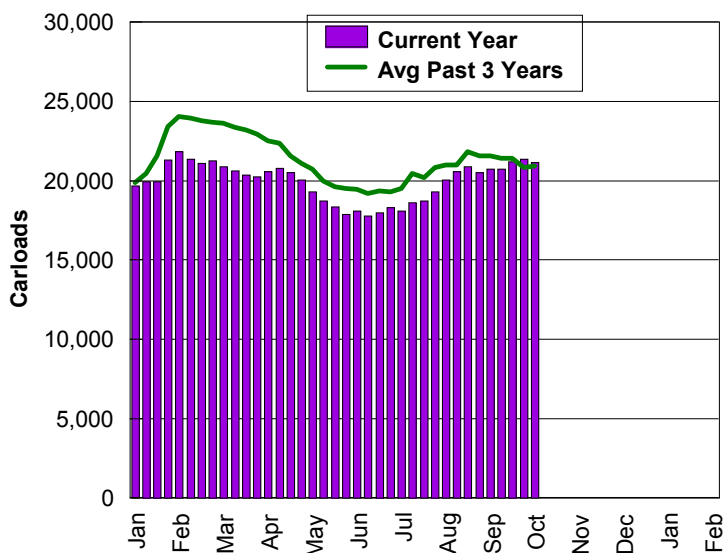
Rail Deliveries to Port (Carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
09/10/03	38	2,738	2,871	35	5,682
09/17/03	137	2,961	2,518	13	5,629
YTD 2003	10,501	57,333	99,392	11,428	178,654
YTD 2002	7,548	68,727	70,308	15,317	161,900
% YTD 2002	139%	83%	141%	75%	110%
Total 2002	11,127	85,822	113,857	21,562	232,368
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

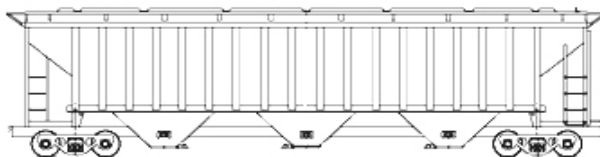
Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
09/13/03	2,217	2,994	8,539	635	6,066	20,451	3,682	3,485
This Week Last Year	1,975	2,625	7,521	444	6,875	19,440	3,362	3,882
2003 YTD	99,197	118,123	272,984	15,117	239,176	744,597	128,129	132,594
2002 YTD	99,281	114,278	272,166	19,764	245,274	750,763	143,923	134,681
% YTD 2002	100%	103%	100%	76%	98%	99%	89%	98%
Total 2002	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. Rail Covered Hopper Cars Online Index*

Aug-03	94.1	99.8	94.9	97.9	94.4	95.4
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

**Tariff Rail Rates for Unit Train Shipments**

September 2003

Source: www.bnsf.com, approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu*

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
09/02/03	113710	Wheat	Kansas City, MO	Galveston, TX	\$1,820	\$20.06	\$0.55
09/02/03	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
09/02/03	46540	Wheat	St. Louis, MO	Houston, TX	\$1,945	\$21.44	\$0.58
09/02/03	113710	Wheat	Kansas City, MO	Laredo, TX	\$2,280	\$25.13	\$0.68
09/02/03	15507	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
09/02/03	31005	Corn	Minneapolis, MN	Portland, OR	\$3,130	\$34.50	\$0.88
09/02/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.77
09/02/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$2,170	\$23.92	\$0.61
09/02/03	113210	Corn	Evansville, IN	Raleigh, NC	\$1,686	\$18.58	\$0.47
09/02/03	1132	Corn	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.80
09/02/03	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,110	\$34.28	\$0.93
09/02/03	1144	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
09/02/03	1144	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
09/02/03	1144	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
09/02/03	11441	Soybeans	Evansville, IN	Raleigh, NC	\$1,686	\$18.58	\$0.51

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Nov-03	Dec-03	Jan-04	Feb-04
BNSF-GF	\$14	\$12	\$12	\$6
UP-Pool	\$21	\$11	\$10	\$5

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

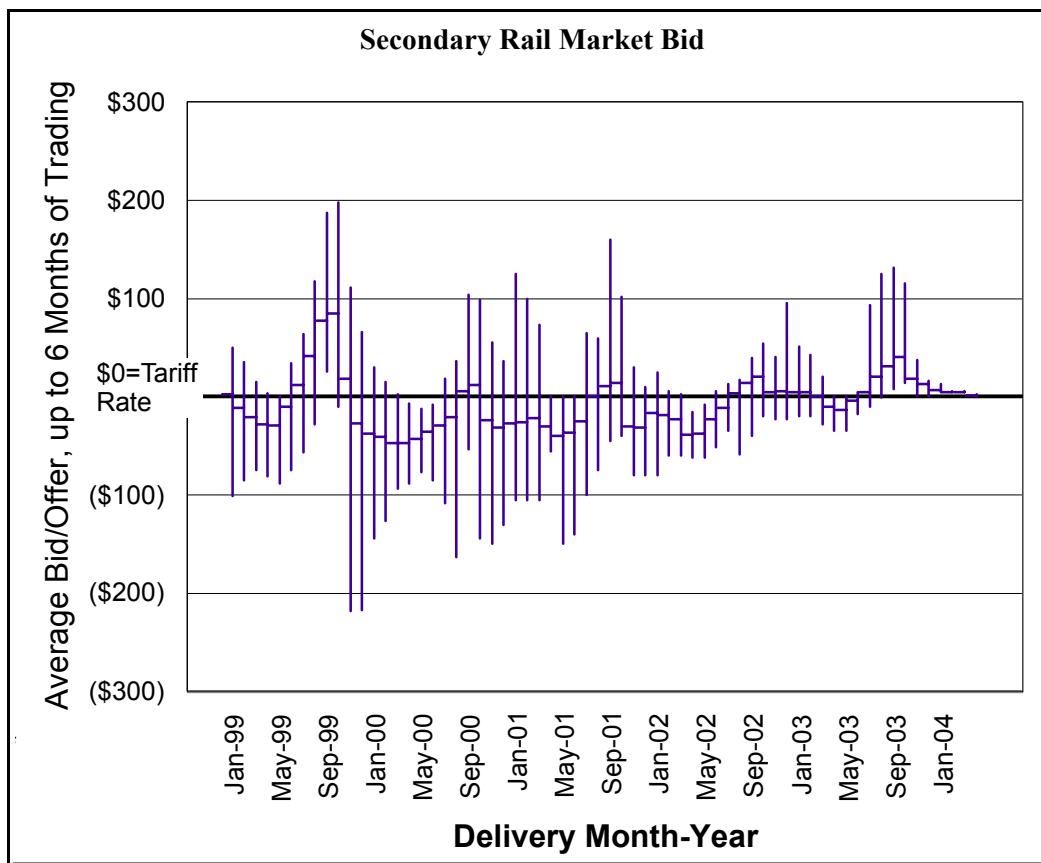
Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Nov-03	Dec-03	Jan-04
COT/N. Grain	\$0	\$0	\$0
COT/S. Grain	\$0	\$0	no bid
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	\$1	no bid	no bid

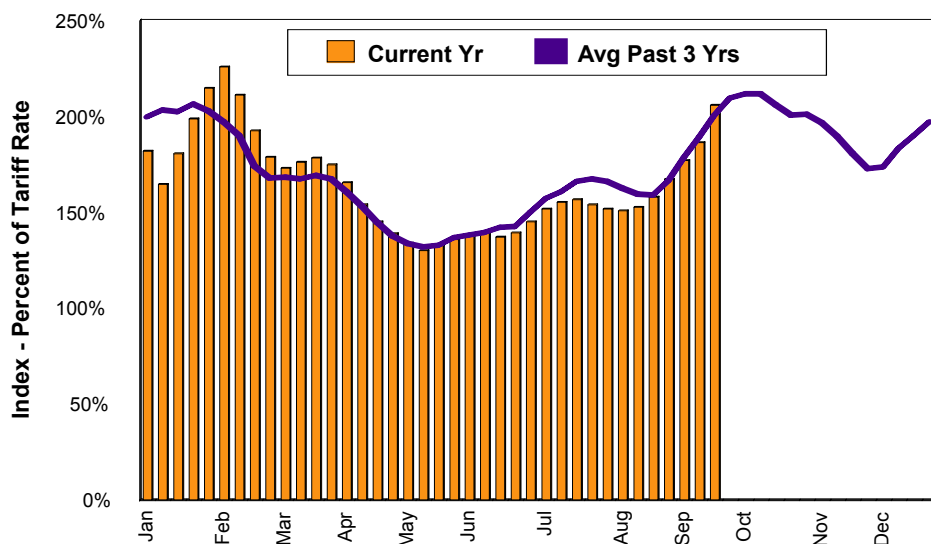
Source: Transportation & Marketing/AMS/USDA.

COT=Certificate of Transportation; GCAS=Grain Car Allocation System



BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	9/17/03	9/10/03	Oct '03	Dec '03
Twin Cities	250	209	282	nq
Mid-Mississippi	252	204	271	nq
Illinois River	248	198	266	181
St. Louis	249	206	249	144
Lower Ohio	248	192	267	153
Cairo-Memphis	220	188	235	135

Source: Transportation & Marketing /AMS/USDA

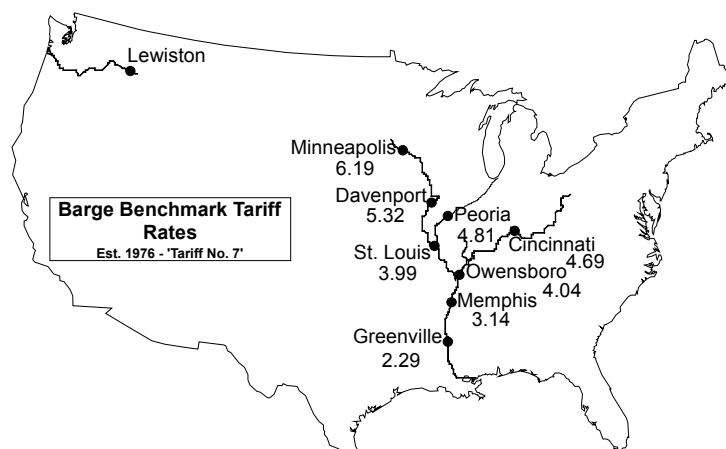
BARGE FUTURES MARKET

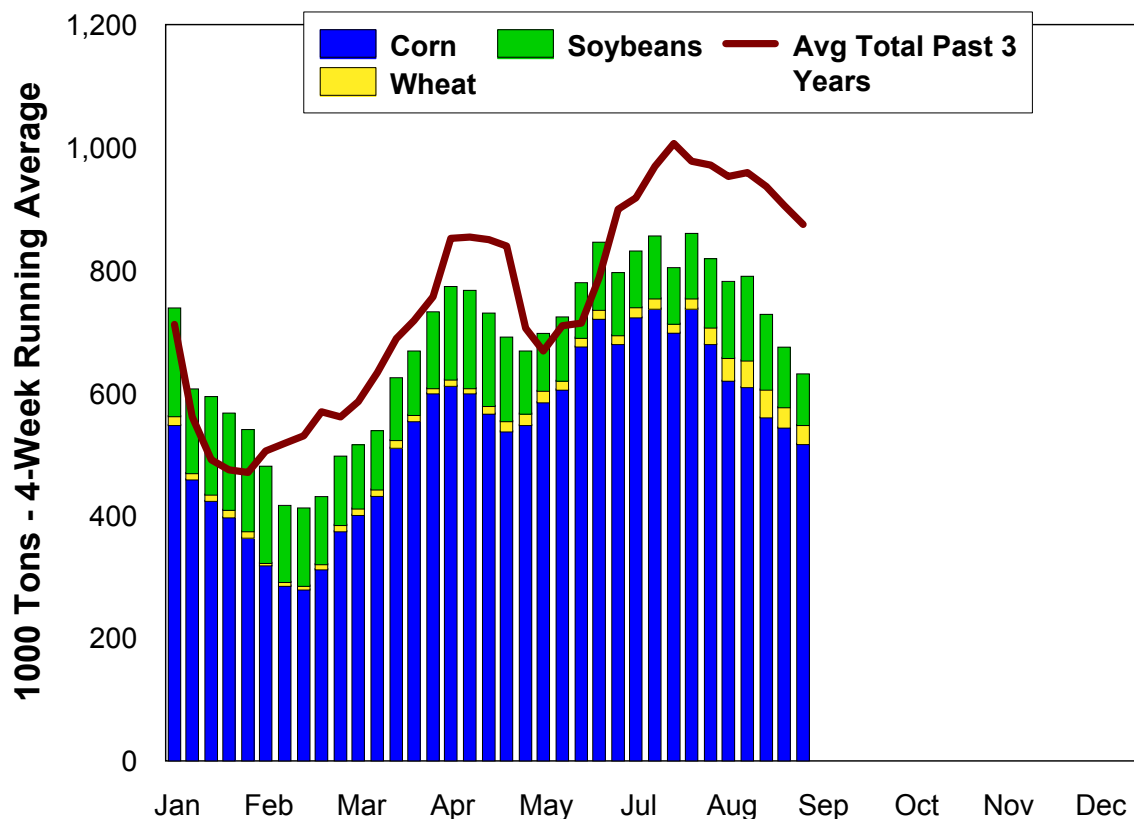
Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
9/23/03	St. Louis	Oct.	n/a	260
		Dec.	n/a	140
		Jan.	n/a	140
		Feb.	n/a	140
	Illinois River	Mar.	n/a	140
		Oct.	n/a	266
		Nov.	n/a	180
		Jan.	n/a	205
		Feb.	n/a	190
		Mar.	n/a	170

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)**Barge Grain Movements (1,000 Tons)**

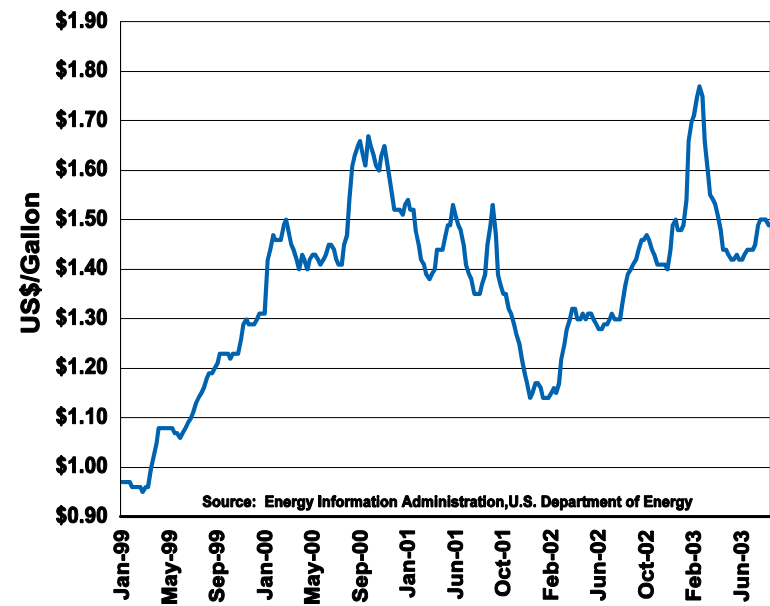
for week ending 9/13/03

	<u>Corn</u>	<u>Wht</u>	<u>Sybn</u>	<u>Total</u>
Mississippi River				
Rock Island, IL (L15)	158	17	14	188
Winfield, MO (L25)	271	35	12	332
Alton, IL (L26)	328	49	25	416
Granite City, IL (L27)	346	42	27	429
Illinois River (L8)	-	-	-	-
Ohio River (L52)	21	40	7	73
Arkansas River (L1)	1	56	0	57
2003 YTD	20,595	2,107	5,529	28,821
2002 YTD	25,324	1,902	7,102	35,468
% YTD 2002	81%	111%	78%	81%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

TRUCK TRANSPORTATION

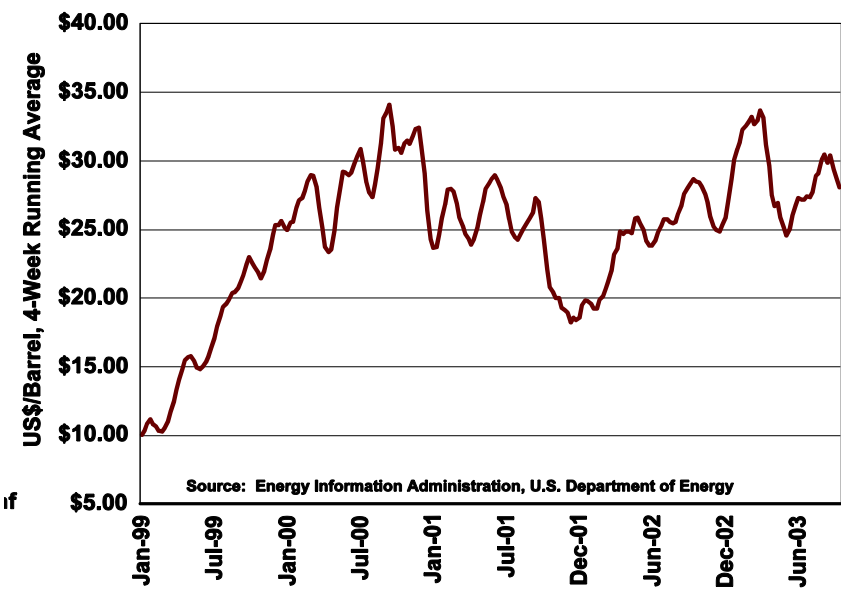
Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

Weekly Brent Crude Price, Friday Close



Crude Oil Prices (09/09/03)

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	26.79	28.98	↓
Brent Crude	25.75	27.52	↓

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)									
	W h e a t			C o r n *			S o y b e a n *		Total
	HRW	SRW	HRS	SW W	DUR	All			
09/11/2003	2,191	631	1,268	864	187	5,141	7,683	8,468	21,292
This Week Year Ago	1,387	380	1,374	652	102	3,872	6,418	6,204	16,494
Commulative Exports-Crop Year									
03/04 YTD	3,404	1,095	1,871	1,013	277	7,661	1,319	225	9,205
02/03 YTD	2,709	949	1,849	1,043	260	6,810	1,270	335	8,415
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)									

U.S. Grain Inspected for Export



Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

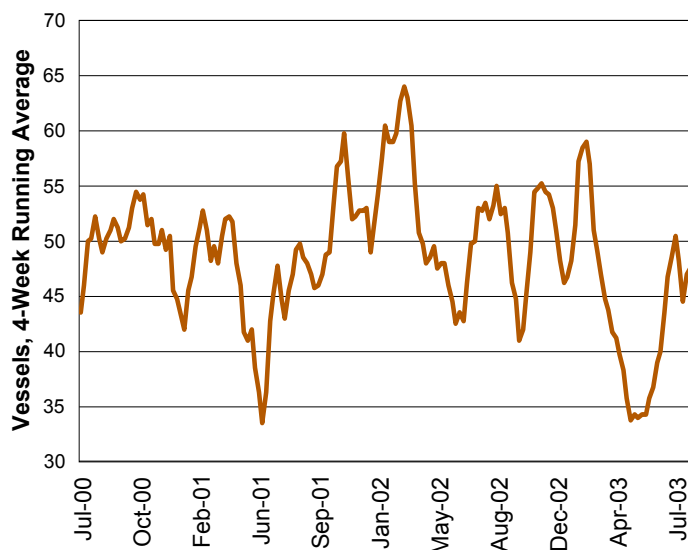
	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Pacific</i>	<i>Mississippi</i>	<i>Texas</i>
09/18/03	241	104	6	286	605	173	298	24	0	351	1,064	322
2003 YTD	6,181	3,840	2,781	4,296	20,550	11,063	4,676	566	56	12,801	35,910	5,298
2002 YTD	6,447	2,978	1,451	4,210	28,048	11,497	4,535	237	365	10,877	43,755	5,137
% YTD 2002	96%	129%	192%	102%	73%	96%	103%	239%	15%	118%	82%	103%
Total 2002	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

The U.S. Exports Approximately One-Quarter of the Grain it Produces. On average, it includes nearly 45% of U.S. grown wheat, 35% of U.S. grown soybeans, and 20% of the U.S. grown corn.

Over 60% of these U.S. export grain shipments departed through Louisiana Gulf region in 2002.

Gulf Port Region Grain Vessel Loading Past 7 Days



Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>In Port</u>
09/11/03	37	50	58	13	
09/18/03	44	54	56	12	
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

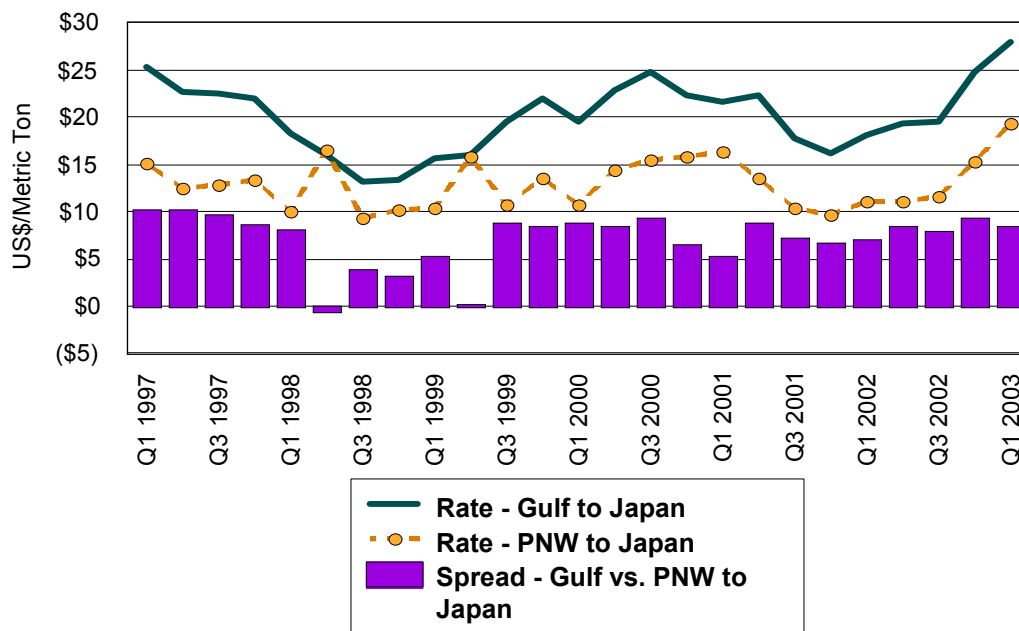
Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 2 nd Qtr	2002 2 nd Qtr	% Change		2003 2 nd Qtr	2002 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$31.53	\$19.43	62%	Japan	\$19.33	\$11.03	75%
Mexico	-	\$46.92	-				
N. Europe	\$18.98	\$13.58	40%	Argentina/Brazil to			
N. Africa	\$21.75	\$15.84	37%	Med. Sea	\$24.50	\$16.98	44%
Med. Sea	\$21.88	\$12.62	73%	N. Europe	-	\$17.16	-
				China	\$32.50	-	-

Source: Transportation & Marketing/AMS/USDA

Ocean Vessel Rates to Japan



Ocean Freight Rates for Selected Shipments - week ending 09/20/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	Georgia	Wheat	Sep 16/20	19,000	\$42.99
U.S. Gulf	Georgia	Wheat	Sep 16/20	31,000	\$44.50
U.S. Gulf	Japan	Hvy Grain	Oct 1/10	54,000	\$34.20
U.S. Gulf	Japan	Hvy Grain	Sept 15/25	54,000	\$34.00
U.S. Gulf	Japan	Hvy Grain	Oct 7/21	54,000	\$34.00
Vancouver	Bin Qasim, Pakistan	Hvy Grain	Sept 20/30	52,000	\$30.70
PNW	Taiwan	Hvy Grain	Oct 8/15	54,000	\$21.50

Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

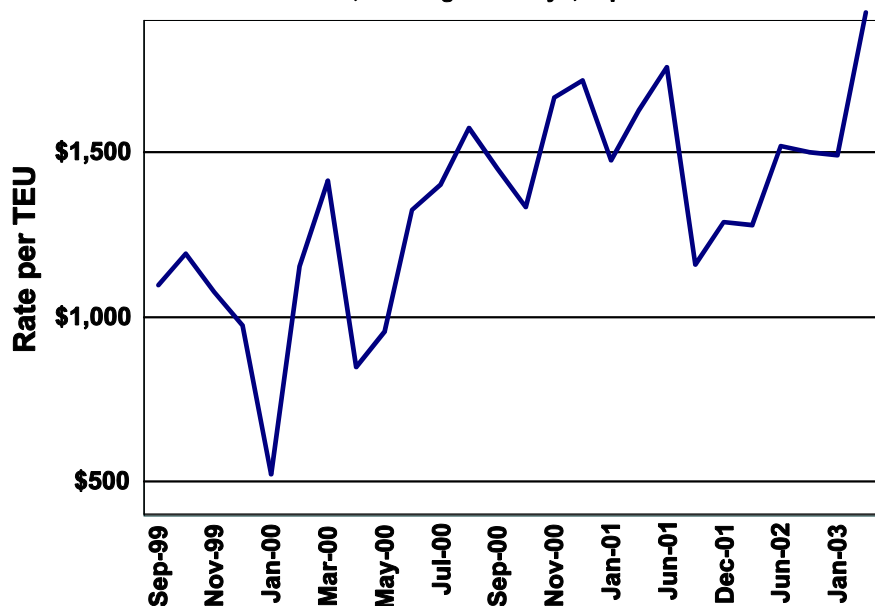
CONTAINER

Container Ocean Freight Rates

Average Rate per TEU, Weighed by Shipping Line Market Share

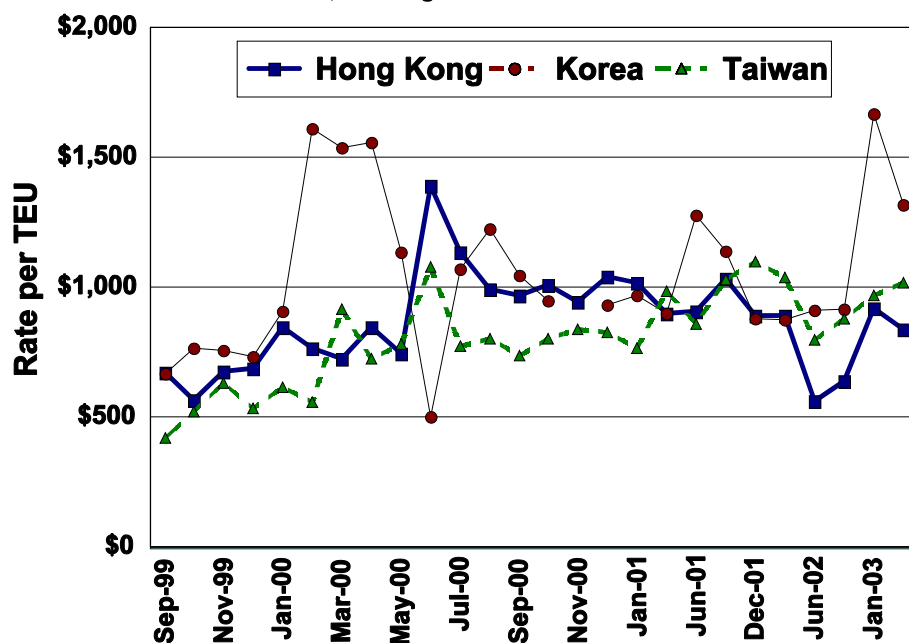
Source: Transportation & Marketing/AMS/USDA, Quarterly Updates

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.

Container Rates - Feed Grain
Seattle, WA Origin to Selected Destinations



CANADIAN PORTS ACTIVITY
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Select Canadian Port Export Inspections 1,000 Metric Tons, Week End Summary			
06/19/2003	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Vancouver	105	5	
Prince Rupert			
Prairie Direct	5		
Thunder Bay	18		
St. Lawrence	4,492	2,329	290
2001/02 YTD	10,666	2,963	961
2002/03 YTD	4,620	2,334	290
% of Last Year	43%	79%	30%
Source: Canadian Grains Commission, Crop Year 8/1-7/31			